

The Devil's in the Details - Make Sure Your IT Contracts Are Thorough

Contracts are meant to ensure that parties in a business deal — whatever it is — know what their obligations are and agree to carry them out to the fullest. Not only is this the case with respect to IT contracts, but it's the case with respect to any business agreement. Even contracts, as simple as handshake deals, should ultimately include some specificity as to what's expected of each party. The more open-ended a contract is, the more you're courting the possibility of conflict and misunderstanding at some point in the future. This goes for things like an employment contract, for example. It's why any contract or contract template you plan on using should be as specific as possible. Especially with respect to the world of IT, where issues such as ownership, licensing, and even confidentiality are in play, being as thorough as possible with the type of contract and contract template you use is essential. Any good contract, even an employment contract or service contract, will try to account for what's needed to complete a certain business arrangement. Not only does this protect the interests of the parties involved in a contract, but it also helps create an environment of trust and respect. Getting everything on the table to begin with can lead to better service and better customer satisfaction. Having established the importance of getting as much specificity into a contract as possible, it might prove instructive to outline some of the things not to forget in the contract. If you're going to be thorough in creating a contract or a contract template, than you might as well make sure you have all the bases covered so that things like an employment contract, or insurance contract, meet the standards you expect in order to run a profitable business. One aspect of a contract some IT professionals might overlook is the issue of ownership. Things like databases and Web components can be created anew by an IT company. Establishing who owns it could be essential in clarifying future disputes. Similarly, there are things that a client might end up selling to you. Before buying anything from them, make sure you get in writing that it is indeed them that has ownership. You certainly don't want to get stuck with something you find out you don't even have the rights to. Another issue with respect to IT contracts is confidentiality. When dealing with anyone else's IT system, you might be revealing some confidential business information of your own. It's why it would not hurt to have included in your contract template stipulations as to what is to remain confidential. Breaking confidentiality agreements can have serious ramifications for anyone, including an IT professional, so you probably can't emphasize enough to a client how important this aspect of a contract is. Finally, some business arrangements might need to take change controls into consideration. These should be clearly outlined, even if you need to arrange them through some additional documents. If there's a possibility of a fundamental change that could happen as the contract is fulfilled, than these need to be mapped out so that both parties have an understanding of future possibilities. Not doing so can lead to a mess if unforeseen changes were at least not anticipated in the contract. No matter what the contract is, whether it is an employment contract, a delivery contract, or a quality control agreement, a good IT business professional tries not to leave anything out. It's what should be considered when creating and using a contract template, and is a philosophy to take with you when entering into contracts in general.

About the Author

James Cochran is the founder of ContractEdge, a provider of legal forms and [contract templates](#) designed specifically for IT professionals and contractors. Created by attorneys who specialize in Information Technology law, ContractEdge legal forms and [employment contracts](#) go beyond the provisions and include critical special provisions to the IT industry.

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